

Chen

9 June 1978

NOTE FOR: John

FROM: Sheila

SUBJECT: OMB Final Draft of Intelligence Product Survey

1. The survey does not appear to have changed substantially from the last draft, which I believe you have read.

2. Since the survey is based on OMB's interviews and that data is not available to us, we cannot assess how accurate the criticisms made here are. We do know, however, that OMB seems to be taking this document and the negative comments it reflects fairly seriously. It seems then that we should review it for the criticisms which could be construed as either negative or positive rationales for FY 1980 budget requests.

3. Each agency which engages in production is treated separately. There are several pointed comments made on each of the production agencies. We should be prepared in program review to air some of these questions and build a basis for responding to OMB inquiries which we should expect in the fall. This could be done either in individual program reviews -- although no great amount of time should be allocated to it -- or in cross-program reviews that have to do either with production, distribution, training or similar topics.

cc: Arline

*Chen*

The Director of Central Intelligence  
Approved For Release 2005/08/03 : CIA-RDP80M00772A000300010053-9  
Washington, D.C. 20505

Intelligence Community Staff

DCI/IC 78-3865

7 June 1978

Mr. James O. Bush  
Permanent Select Committee on Intelligence  
U.S. House of Representatives  
Washington, D. C. 20515

Dear Jim:

Attached find our answers to the questions for the record concerning the proposed Intelligence Community Staff reorganization which we received with Chairman Boland's letter to Admiral Turner dated 1 June 1978.

Sincerely,

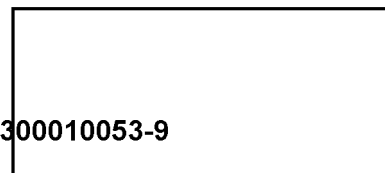


Attachment  
As stated

25X1

25X1

**CONFIDENTIAL**



SUBJECT: Approved For Release 2005/08/03 : CIA-RDP80M00772A000300010053-9  
Letter to Mr. Bush, 11/28/72, re IC reorganization  
record regarding IC Reorganization

Distribution:

Orig-Addressee (Mr. Bush)

✓ 1-D/DCI/RM  
1-D/DCI/CT  
1-D/OPBD  
1-A-D/OPP  
1-A-D/OPEI  
1-D/OCIS  
1-C/SS/IC  
1-Executive Sec./NFIB  
1-OLC [redacted]  
1-OPBD [redacted]  
1-OPBD Subject  
1-OPBD Chrono  
1-IC Registry

25X1

25X1

DCI/IC/OPBD: [redacted] -6/7/78)

CONFIDENTIAL

Approved For Release 2005/08/03 : CIA-RDP80M00772A000300010053-9  
E.O. Responsibilities

QUESTION: E.O. 12036 establishes and defines the functions of the NITC. In what ways are the duties assigned different than those previously held by the DCI, particularly since President Nixon's direction to the DCI to coordinate community activity?

RESPONSE: In the area of collection coordination, the duties as outlined in the E.O. remain essentially the same as they were under previous guidelines. In short, the DCI has had the responsibility in the past for coordination of community activity. The present E.O. reemphasizes this responsibility to coordinate community activity while simultaneously giving this activity greater focus. In specific terms, the E.O. in the collection area directs the DCI to establish a central focus for the coordination of collection matters to include rapid resolution of collection conflicts. The CTS is designed to fill this role.

CONFIDENTIAL

QUESTION: In the organization you have outlined, is it the Collection Tasking Staff which fulfills the E.O. rather than just the NITC?

RESPONSE: Yes, the Collection Tasking Staff was organized to fulfill the requirements of the E.O.

QUESTION: How will the transfer of tasking authority to the Secretary of Defense be accomplished and how will it be practiced?

RESPONSE: With DoD's cooperation and support, we intend to locate the Collection Tasking Staff headquarters, the DCI Collection Committees, and the NITC warning and crisis management team at the Pentagon. This of course will facilitate implementation of the transfer provisions when directed to do so by the President. Specific contingency plans for this transfer and post-transfer operations will be developed in cooperation with DoD. The National Intelligence Tasking Officer for Warning and Crisis Management will be responsible for periodically exercising such plans in conjunction with DIA.

QUESTION: Under what circumstances do you anticipate such transfer; for example, upon actual declaration of war, upon any involvement of U.S. forces in conflict or perhaps some state in between?

RESPONSE: We anticipate that the President would implement the transfer provisions only under conditions of grave national crisis involving the imminence or outbreak of a major war directly involving the United States. Since the NITC will coordinate all Community intelligence collection operations, a key Presidential consideration concerning the transfer of responsibility under conditions of lesser significance would be the impact of this decision on the DCI's ability to manage Community coverage of other major issues and situations of concern to national decision-making authorities.

QUESTION: The Executive Order directs specific responsibility for budget execution. Since the power of expenditure remains with the separate departments and agencies, will change in the law be required? How will these duties be carried out?

RESPONSE: The Executive Order does charge the DCI with certain budget implementation responsibilities, i.e., monitor NFIP program implementation and conduct program and performance audits and evaluations, full and exclusive authority for reprogramming NFIP funds, and a consultation role in rate of obligations for NFIP appropriated funds. However, the Executive Order does not alter the responsibilities of the departments and agencies for financial accounting, internal audit, and the control and accountability over funds as prescribed in the Budget and Accounting Procedures Act of 1950 as amended. Thus, a change in law is not required.

The budget implementation responsibilities will be accomplished through analysis and review of financial plans and reports, programs and activities, status reports and perhaps semiannual or third quarter program reviews with NFIP Program Managers. These reviews and analyses will make use of reports and documentation presently available so far as practical. I believe that these procedures combined with the program and budget development process will make for a more efficient and effective use of NFIP resources from planning through execution.

CONFIDENTIAL



CONFIDENTIAL

Approved For Release 2005/08/03 : CIA-RDP80M00772A000300010053-9  
E.O. Responsibilities

QUESTION: What are the budget development responsibilities of the Program Managers in the context of an expanded RMS?

RESPONSE: Program Managers will continue to develop budget recommendations in response to DCI guidance developed by RMS. As members of the NFIB, they will also provide advice to the DCI on the consolidated NFIP budget developed by RMS (based on individual Program Manager submissions) for DCI decisions before submission to the President through OMB.

CONFIDENTIAL

CONFIDENTIAL

Approved For Release 2005/08/03 : CIA-RDP80M00772A000300010053-9

Concept

QUESTION: Admiral Turner, is it a sound concept to have collection tasking organization parallel to rather than subordinate to the analytical organization?

RESPONSE: We believe strongly that it is necessary to have the tasking organization parallel to, rather than subordinate to, the analytical organizations of the various agencies which comprise the Intelligence Community. The analytical organizations develop day-to-day collection requirements in large numbers which are handled by requirement units subordinate to them, but conflicts are bound to arise among the collection requirements of the various analytical elements within the Community. These conflicts can be resolved most effectively on an all-source basis by a Community organization such as the proposed CTS. In addition, individual departmental needs and priorities do not always coincide with national needs and priorities. In situations involving competing resources, we believe an objective Community view will provide the best tasking solution.

Approved For Release 2005/08/03 : CIA-RDP80M00772A000300010053-9

CONFIDENTIAL

CONFIDENTIAL

Approved For Release 2005/08/03 : CIA-RDP80M00772A000300010053-9

Concept

QUESTION: How does the role of the National Foreign Intelligence Board change?

RESPONSE: The basic role of the National Foreign Intelligence Board (NFIB) and all its predecessor organizations has been to advise and assist the DCI in areas specified in directives and in any other area on which the DCI may choose to seek advice. E.O. does not change this fundamental responsibility of the NFIB.

The areas on which NFIB advises the DCI are changed by the Executive Order in two important respects. One, the NFIB responsibility to develop requirements and priorities is transferred to the Policy Review Committee (Intelligence) (PRC(I)). Two, a new responsibility is added by charging the NFIB to advise the DCI in the development of the National Foreign Intelligence Program (NFIP) and Budget. Therefore, NFIB's two most important advisory roles are to the DCI in the production of national intelligence and to the DCI in carrying out his full and exclusive authority to develop the NFIP and Budget.

In addition to his authority for the national program and budget, the DCI is chairman of both the PRC(I) and NFIB. By relying on the Board for advice, he is able to draw on the best informed judgments of the Community in all three aspects of his major responsibilities--production, collection and resource management. The DCI's three Community deputies--D/DCI for National Foreign Assessment, D/DCI for Resource Management, and D/DCI for Collection Tasking--are members of NFIB; they help frame as well as benefit from the Board's advice to the DCI.

Even as the authority of the DCI is enhanced by the provisions of E.O. 12036, so is the responsibility of NFIB in giving the DCI advice and assistance.

Approved For Release 2005/08/03 : CIA-RDP80M00772A000300010053-9

CONFIDENTIAL

Concept

Approved For Release 2005/08/03 : CIA-RDP80M00772A000300010053-9

QUESTION: Does the concept adequately address the national/tactical interface in the areas of budget development?

RESPONSE: Yes. The Director for Resource Management will provide a single focus for the budget development of the NFIP. Therefore, this establishes a point for cross-program review and the considerations and determinations of impacts leading to budget decisions with respect to the NFIP and advisory comments to the Secretary of Defense for Defense matters.

CONFIDENTIAL

Approved For Release 2005/08/03 : CIA-RDP80M00772A000300010053-9

Concept

QUESTION: Do you expect the number of NITO teams to increase from the currently planned six to add, for example, treaty monitoring, nuclear proliferation or others?

RESPONSE: If the NITO concept proves itself through our initial experience, we may well wish to increase the number of NITO teams. Clearly, all-source tasking must (and will) from the inception of NITC be focused on such areas as treaty monitoring and nuclear proliferation (as well as terrorism, the drug traffic, and energy problems). Experience may well indicate that additional teams will be necessary to cover these areas adequately.

Approved For Release 2005/08/03 : CIA-RDP80M00772A000300010053-9

CONFIDENTIAL

QUESTION: It seems likely that most of the people qualified for IC Staff are already working in the Community. Will there be an adverse effect on losing organizations?

RESPONSE: Although we look to the Community to satisfy many of our staffing needs, it is by no means our only source. It is often necessary and desirable to go outside the Community and to the private sector in order to obtain the services of the best people available. At any rate, the size of the IC Staff requires some recruitment effort and we believe that our permanent staffing efforts have little, if any, adverse effect on the losing Community organizations.

Insofar as detailed employees are concerned, we believe that both the IC Staff and the detailing organizations benefit from this arrangement. We get an infusion of up-to-date expertise and the detailed employees take back to their parent organizations the knowledge of national intelligence issues and a broader experience at the Community level. Overall, we believe the positive aspects of our staffing efforts outweigh any possible adverse effects they may have on losing Community organizations.

QUESTION: How can the large number of Executive Level and supergrade positions for these staff functions be justified?

RESPONSE: The number of supergrade positions allocated to the two Staffs is based upon the nature and level of responsibility exercised by individuals on the Staffs. Their responsibilities are much broader than one finds in a single line organization since the incumbents' duties cut across different agencies and departments in the Intelligence Community and their programs. The rates of supergrades to total manning is consistent with that in other offices such as the Office of Management and Budget (OMB), the Assistant Secretary of Defense (Communications, Command, Control and Intelligence) (ASD/C<sup>3</sup>I) and the Congressional Budget Office (CBO), whose budgetary and programmatic oversight functions are similar to RMS. Likewise, CTS' need to coordinate collection programs requires a high degree of Staff competence, program management experience and stature.

The hiring policy of the two Staffs will be to bring on board high-caliber personnel in the hope of limiting the size of the Staffs. All of the positions of the Resource Management and Collection Tasking Staffs will be evaluated during the forthcoming year by a team of position management specialists in accordance with Civil Service Commission standards. Any supergrade position that doesn't measure up to the high standards required for that grade level will be reduced to the appropriate level for which it qualifies.

CONFIDENTIAL

Approved For Release 2005/08/03 : CIA-RDP80M00772A000300010053-9  
Organization and Management

QUESTION: Continuing viability of the NITC demands rotation of many of its officers. Will the high grades tend to create "homesteading" in these positions?

RESPONSE: No. Many of the high grade positions within the NITC will be filled by personnel on rotational tours of duty of two to three years. This rotational policy will assure the viability of the NITC and help prevent "homesteading."

Approved For Release 2005/08/03 : CIA-RDP80M00772A000300010053-9

CONFIDENTIAL



QUESTION: We have authorized funds and positions for FY 1979 for the Intelligence Community Staff. Will the IC Staff still exist? Who is its director?

RESPONSE: The IC Staff currently operates in the configuration which existed at the time the FY 1978 Appropriations Bill was passed. It will continue to exist under that structure until I receive your approval of the FY 1978 reprogramming and FY 1979 budget amendment. At that time, the two elements I have described--the Resource Management and Collection Tasking Staffs--will be formally instituted and will, when viewed together, constitute the two coequal elements of the Intelligence Community Staff. Currently, [ ] is assigned as the Deputy to the DCI for the Intelligence Community, heading the IC Staff. When the reorganization is effective, that position disappears and he will head the Resource Management Staff. [ ] will head the Collection Tasking Staff.